

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10211

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

RECEIVED

FEB 14 1991

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Santa Fe Energy Operating _____

Telephone:

name, address, phone and
contact person

ATTORNEY

James Bruce _____
Hinkle, Cox, Eaton, Coffield & Hensley
500 Marquette, NW _____
Albuquerque, New Mexico 87102 ____
Telephone: (505) 768-1500

OPPOSITION OR OTHER PARTY

Harvey E. Yates Company _____
c/o Melissa Randall _____
Post Office Box 1933 _____
Roswell, New Mexico 88202 _____
(505) 623-6601 _____

name, address, phone and
contact person

ATTORNEY

William F. Carr _____
Campbell & Black, P.A. _____
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

Hanley Petroleum Inc. _____

()

W. Thomas Kellahin _____
Kellahin, Kellahin & Aubrey _____
Post Office Box 2265 _____
Santa Fe, New Mexico 87504 _____
(505) 982-4285 _____

STATEMENT OF CASE

APPLICANT

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Appear and present a statement in support of Santa Fe Energy Operating Partners, L.P.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

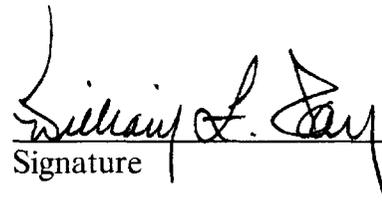
WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

None

PROCEDURAL MATTERS


Signature

[Kachina 8 #2]

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Case No: 10,211

RECEIVED

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as
required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Santa Fe Energy Operating
Partners, L.P.
550 West Texas, Suite 1330
Midland, Texas 79701
(915) 687-3551
Attention: Larry Murphy

ATTORNEY

James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
500 Marquette, N.W.
Suite 800
Albuquerque, N.M. 87102
(505) 768-1500

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant seeks to force pool all interests in all pools
and formations spaced on 80 acres from the surface to the base
of the Wolfcamp formation underlying the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 8,
Township 18 South, Range 33 East, N.M.P.M., in Eddy County.
Applicant seeks to drill a well at a standard location, to be
named the operator of the well, and to have a 200% risk
penalty imposed on the non-consenting interest owner. Santa
Fe has not been able to come to terms with one interest owner.

OPPOSITION OR OTHER PARTY

PROPOSED EVIDENCE

APPLICANT

	WITNESS	EST. TIME	EXHIBITS
1.	Larry Murphy (Landman)	20 minutes	(a) Land Plat (b) Correspondence (c) AFE (d) Notice Letter
2.	John Thoma (Geologist)	10 minutes	(a) Structure Map (b) Porosity isopach (c) Cross-section

OPPOSITION

WITNESS	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

There may be a request by Hanley Petroleum for production of Santa Fe's confidential and proprietary data on an offsetting well.

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By James Bruce

James Bruce
500 Marquette, N.W.
Suite 800
Albuquerque, New Mexico 87102
(505) 768-1500

Attorneys for Applicant

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10211

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

FIRST AMENDED
PRE-HEARING STATEMENT

This pre-hearing statement is submitted by HANLEY
PETROLEUM INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT
(name, address, phone
and contact person)

Santa Fe Energy Operating
Partners, L.P.

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
500 Marquette, N.W.
Albuquerque, NM 87102
(505) 768-1500

OPPOSITION OR OTHER PARTY
(name, address, phone
and contact person)

Hanley Petroleum Inc
415 W. Wall, Ste. 1500
Midland, TX 79701
Attn: Jim Rogers
(915) 684-8051

ATTORNEY

W. Thomas Kellahin
KELLAHIN, KELLAHIN & AUBREY
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

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JAN 18 1991

OIL CONSERVATION DIV.
SANTA FE

Pre-hearing Statement
NMOCD Case No. 10211
Page 2

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Hanley Petroleum Inc. is the majority working interest owner in the spacing unit and seeks to be designated operator and has filed its own pooling case which is set to be heard.

Santa Fe Energy Operating Partners, L.P. have failed to act in good faith and have not exhausted reasonable efforts to obtain voluntary agreement for the formation of the subject spacing unit.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
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OPPOSITION

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
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Jim Rogers (landman)	30 Min.	2
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Brett Bracken or L.D. Robbins (geologist)	30 Min.	3
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Bill Huck (petroleum engineer)	30 Min.	2
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

- (1) Motion to Continuance to February 7, 1991 and consolidation with Force Pooling case filed by Hanley to be heard on same date.

KELLAHIN, KELLAHIN & AUBREY

By: 
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF SANTA FE ENERGY OPERATING
PARTNERS, L.P. FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

*DJC
CASE FILE
10211*

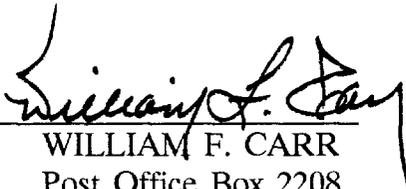
CASE NO. 10211

ENTRY OF APPEARANCE

COMES NOW CAMPBELL & BLACK, P.A., and hereby enters its appearance in
the above referenced case on behalf of Harvey E. Yates Company.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

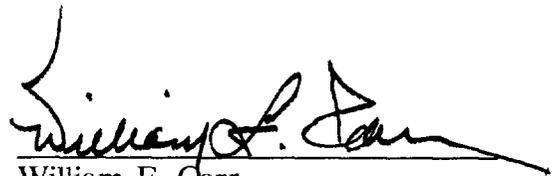
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

RECEIVED
JAN 2 1991
OIL CONSERVATION DIVISION

ATTORNEYS FOR HARVEY E.
YATES COMPANY

CERTIFICATE OF MAILING

I hereby certify that I have caused a true and correct copy of the foregoing Entry of Appearance to be mailed to James G. Bruce, Esq., Hinkle, Cox, Eaton, Coffield & Hensley, 500 Marquette NW, Suite 740, Albuquerque, New Mexico 87102 and hand-delivered to W. Thomas Kellahin, 117 N. Guadalupe Street, Santa Fe, New Mexico 87501 on this 9th day of January, 1990.


William F. Carr



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 6, 1991

Hanley Petroleum Inc.
c/o W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, NM 87504-2265

Santa Fe Energy Operating Partners, L.P.
c/o James Bruce
Hinkle, Cox, Eaton, Coffield & Hensley
P.O. Box 2068
Santa Fe, NM 87504-2068

Harvey E. Yates Company
c/o William F. Carr
Campbell & Black, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

*RE: Santa Fe Energy/Hanley Petroleum OCD
Case Nos. 10211 and 10219*

Dear Messrs Kellahin, Bruce and Carr:

Reference is made to both Santa Fe Energy's and Hanley's letters dated February 5, 1991 (faxed to me on that day) concerning the Examiner Hearing scheduled for Thursday, February 7, 1991. Several issues were raised by both letters which required some research by me since I had not previously been directly involved in this matter.

- (1) A decision on the subpoena issue brought before the New Mexico Oil Conservation Commission on January 17, 1991 has not been made and probably will not be made prior to the February 7th hearing.

- (2) Hanley is proposing to change its drilling plans and locate its well at an orthodox oil well location in the NW/4 NW/4 (Unit D) of said Section 8. The records on file with the Division indicate that Hanley's working interest in Unit D is 100%. If this be the case there would be no need for Hanley to seek compulsory pooling in this quarter-quarter section for these pools or formations based on 40-acre spacing, and the advertisement in Case 10129 is adequate and such amendments could be addressed at the hearing.

- (3) Vacating and staying the cases pending the outcome of the Commission's decision on the subpoena appeal would only cause further expense and delay since a readvertisement would be necessary to place them back on the docket.

Therefore, over the objection of Santa Fe Energy, both Case Nos. 10211 and 10219 shall be continued at this time to the Examiner Hearing scheduled for February 21, 1991.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division -

Robert G. Stovall
William J. LeMay
David R. Catanach

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

FAX (505) 982-8623

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

CLARENCE E. HINKLE (1901-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

February 21, 1991

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
PAUL J. KELLY, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
MICHAEL A. GROSS
THOMAS D. HAINES, JR.

FRANKLIN H. MCCALLUM*
GREGORY J. NIBERT
DAVID T. MARKETTE*
MARK C. DOW
KAREN M. RICHARDSON*
FRED W. SCHWENDIMANN
JAMES M. HUDSON

STANLEY K. KOTOVSKY, JR.
BETTY H. LITTLE*
JEFFREY S. BAIRD*
RUTH S. MUSGRAVE
HOWARD R. THOMAS
PATRICIA A. WATTS
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
WILLIAM R. JOHNSON
ELLEN S. CASEY
S. BARRY PAISNER
MARGARET CARTER LUDEWIG
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JOHN R. KULSETH, JR.
LISA K. SMITH*

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

2800 CLAYDESTA NATIONAL BANK BUILDING
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800
ALBUQUERQUE, NEW MEXICO 87102-2121
(505) 768-1500
FAX (505) 768-1529

*NOT LICENSED IN NEW MEXICO

HAND DELIVERED

W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
117 N. Guadalupe
Santa Fe, New Mexico 87501

Re: **Santa Fe Energy/Hanley Petroleum; OCD Case No. 10,211**

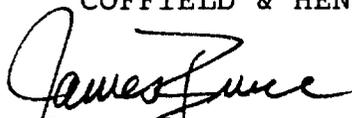
Dear Tom:

Enclosed are:

1. A copy of Santa Fe's letter to Hanley Petroleum dated January 30, 1991, by which it delivered certain of the subpoenaed material (Items 2, 5 and 9 of the Subpoena); and
2. Copies of the remaining material which the Commission ordered produced by its order of February 15, 1991 (Subpoena Items 1, 3 and 4 and additional Item 5 information).

Sincerely,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


James Bruce

JB:jr
Enclosures
cc: Mr. William LeMay (OCD)

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FEB 25 1991

OIL CONSERVATION DIV.
SANTA FE